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# Supreme Court of the United States

OCTOBER TERM 1941

No. 953

315 U.S. 819

ARCADIA KNITTING MILLS, INC.,
*Respondent,*

vs.

PRINCETON KNITTING MILLS, INC.,
*Petitioner.*

## PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT AND BRIEF IN SUPPORT THEREOF

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## PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

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*To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:*

Your petitioner, Princeton Knitting Mills, Inc., respectfully prays for a Writ of Certiorari to the Circuit Court of Appeals for the Second Circuit to review the final judgment or decree of that Court entered on January 16, 1942 (R. 461), holding invalid the broad claims 2 and 4 of Patent No. 2,123,847 for an Inlaid Knitted Fabric, because of *prior use* by respondent, and holding the specific claims 1 and 3 invalid for want of invention in view of the invalidity of said broad claims. A petition for rehearing (R. 445) was denied January 8, 1942 (R. 460).

A certified transcript of the record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in accordance with Rule 38 of this Court.

## Summary and Short Statement of Matter Involved

### Preliminary

The decision of the Court of Appeals in this case, which turned on the question of the *prior use* by respondent of the invention of the broad claim 2, presents a square conflict with a long line of decisions of this Court and the Circuit Courts of Appeal of other Circuits* respecting the degree and sufficiency of the proofs required of a defendant who sets up a defense of prior use in a patent suit and which decisions have established the doctrine, generally regarded as a rule of patent law,

> "that one otherwise an infringer who assails the validity of a patent fair upon its face bears a heavy burden of persuasion, and fails unless his evidence has more than a dubious preponderance."

Furthermore, in considering the proofs of *prior use* set up by respondent herein, both of the lower Courts have singularly ignored the "general rule" of evidence,† which is of universal application, as reaffirmed by this Court almost a century ago in the case of *Clifton* v. *United States*, 4 How. 247, respecting the degree of credit to be accorded to "inferior proofs" where the "better evidence" is withheld by a party who has it in his possession or power to produce.

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* *Radio Corporation of America* v. *Radio Engineering Laboratories*, 293 U. S. 1, and the decisions of the various Circuit Courts of Appeal cited therein; also *Philippine Sugar E. D. Co.* v. *Philippine Islands*, 247 U. S. 385, 391; *Cantrell* v. *Wallick*, 117 U. S. 689, 695; *Coffin* v. *Ogden*, 85 U. S. 120, 124; *The Barbed Wire Patent Case*, 143 U. S. 275, 285; *Deering* v. *Winona Harvester Works*, 155 U. S. 301, 302; *Beckwith* v. *Malleable Iron Range Co.*, 189 Fed. 74 (C. C. A. 7th), and *Pieper* v. *S. S. White Mfg. Co.*, 228 Fed. 30 (C. C. A. 7th).

† "One of the general rules of evidence of universal application, is that the best evidence of disputed facts must be produced of which the nature of the case will admit. * * * Even in cases where the *higher* and *inferior* testimony cannot be resolved into primary and secondary evidence * * * the same presumption exists in full force and effect against the party withholding the better evidence, especially when it appears, or has been shown, to be in his possession or power, and must and should in all cases exercise no considerable influence in assigning to the *inferior* proof the degree of credit to which it is rightfully entitled."

The decision of the lower Court, insofar as it holds that the validity of the specific claims 1 and 3 "depends upon that of claim 2", which latter it held invalid because of prior use, is also in direct conflict with a uniform line of decisions of this Court and other Circuit Courts of Appeal* that establish certain elementary tests of invention which can be successfully applied to the situation presented by the record herein, where it appears there was a complete abandonment by respondent, before the issuance of the patent, of its alleged *prior use* fabric structure, followed by slavish copying and immediate wide sales by respondent of the exact fabric structure covered by claim 1, the most specific claim.

The situation thus created by the decision of the lower Court raises questions which, for the reasons hereinafter set forth, it is submitted are under the rules of this Court proper for its review.

### A Suit Under Declaratory Judgment Act

This suit was instituted against petitioner by respondent, Arcadia Knitting Mills, Inc., under the Declaratory Judgment Act (Title 28, U. S. C., § 400) to have declared invalid the patent in suit No. 2,123,847 owned by petitioner, which issued July 12, 1938, pursuant to Section 4886 R. S. In its answer, petitioner set up a counterclaim (R. 11) charging respondent with infringement of said patent. The sole issue is that of validity, the respondent having conceded infringement of all four claims of the patent, if valid (R. 420).

### The Patented Fabric

The patented fabric, commercially marketed as Fluff Knit, consists essentially of a jersey cloth base having

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* *Minerals Separation, Ltd.* v. *Hyde*, 242 U. S. 261; *Incandescent Lamp Patent Case*, 159 U. S. 465; *Diamond Rubber Co.* v. *Consolidated Tire Co.*, 220 U. S. 428, 441; *Duplate Corp* v. *Triplex Safety Glass Co.*, 42 F. (2d) 739 (C. C. A. 3rd); *Hartford Empire* v. *Swindell Bros., Inc.*, 39 U. S. P. Q. 87 (C. C. A. 4th); *Steiner Sales Co.* v. *Schwartz Sales Co.*, 98 F. (2d) 999 (C. C. A. 10th).

loose yarns inlaid therein so as to form a novel sequence in successive courses* of the loops of the jersey fabric to form a series of "floats" and "inlays" in alternate wales† thereof. Jersey cloth is one of the oldest forms of knitted fabrics, having originally been knitted by hand, and the chief defect of such jersey cloth as is well known by every wearer of silk stockings, which are typical examples of a jersey knitted fabric, is the inherent tendency of the same to *run* or form so-called *ladders*. As specified in the patent (R. 405):

> the fabric is "simple and easy to manufacture, flexible and elastic, non-crushable" (i. e., it will not mat when washed and ironed), "substantially *run-resisting* and very efficient and *durable* in use * * * the improved knitted fabric may be made on an ordinary plain knitting machine without employing complicated mechanisms or special attachments * * * the floats 46 and 48, and inlaid loops 45 and 47 will provide loose floats and loops which may be readily napped to give the fabric woolly characteristics."

As stated by the inventor, Fleisher, the effect of the invention on employment in petitioner's mill was to double the payroll of previous years (R. 285).

The fabric structure can be better appreciated by an inspection of the photomicrograph of the "float" face, before napping, of the patented Fluff Knit comprising Princeton Exhibit G-1 ‡ (offered, R. 202) in the black Princeton Exhibit Book handed up to this Court as a Physical Exhibit and a section of which exhibit, for convenient reference, is reproduced on page 33 of the appendix herein. Also, the highly desirable characteristics of this fabric can be best realized by an inspection of Princeton Physical Exhibit C (offered, R. 131), which is a Sleeping Garment made of

* A course constitutes a horizontal or transverse row of such loops of the jersey base fabric.

† A wale constitutes a vertical or upright row of loops of the Jersey base fabric.

‡ For better contrast, black yarn was employed in Exhibit G-1 for the "loose inlaid yarns" which form the "floats" and "inlays", and white yarns for the jersey base fabric of this exhibit.

the patented fabric and which exhibit has been certified to this Court by the Clerk of the Circuit Court of Appeals as being one of the Physical Exhibits handed up to that Court.

Referring to Exhibit G-1, if one will follow the paths of the black yarns it will be observed that they produce a series of alternate floats and inlays, each of which extends across but a *single* loop of the base fabric, the floats spanning the *face* of a loop and the inlays being, as the name implies, laid in against the *crown* of a loop in such a manner as to snugly hug the same, thereby creating effective run-resistance areas wherever these inlays so hug the loops of the jersey fabric, thus serving to materially retard the formation of runs or ladders in the fabric if a loop of the jersey base fabric so hugged or enveloped by the inlay is ruptured. This is especially true after the fabric has been napped (R. 203).

In this Exhibit G-1 it clearly appears that a distinct *combination* occurs between the loops of the jersey base fabric and the "inlays", which, as stated, *snugly hug* the *crowns* of the base fabric loops. In other words, the base fabric loops co-operate with the inlays to produce a new result—high resistance to runs—and, furthermore, the "floats" and "inlays" are so disposed as to insure, during the napping of the fabric, the interlacing of the fibres of adjacent floats with each other and adjacent inlays with each other as well as with the base fabric loops snugly hugged as aforesaid by these inlays, with the result that the finished napped fabric has not only remarkable "woolly characteristics", as specified on page 2 of the patent, column 2, but has innumerable run-resistance areas throughout the same.

For the first time the invention gave to the public a fabric which possessed all the desirable characteristics of jersey cloth without the accompanying undesirable tendency of such jersey cloth to "run" or form "ladders" when one of the threads of any loop of the jersey base fabric was rup-

tured. The *loose* inlaid yarns of the patented fabric when napped in the usual manner impart woolly characteristics thereto (Patent in suit, p. 2, col. 2—Arcadia Ex. 60, R. 425, offered, R. 51) even when the fabric is composed entirely of rayon, whereas if it be attempted to nap a plain jersey fabric made of rayon, the napping operation ruptures the fabric and the fabric structure is destroyed (R. 196).

### The Commercial Success of the Patented Fabric

The patented Fluff Knit has been sold in enormous quantities by petitioner. As found by the District Court:

> "It appears that Fluff Knit was first marketed in 1938, during which year 300,000 lineal yards were sold; in 1939 the sales were 1,594,000 yards and in 1940 up to December 1st, 3,146,895 yards. The counsel for Arcadia Knitting Mills, Inc. has *conceded* the commercial success of this fabric, Fluff Knit" (R. 427).

### The Proofs as to the Alleged Prior Uses

#### (a) The proofs as to the Elkind prior use.

The respondent, referred to herein as "Arcadia", in addition to relying on its own alleged prior use, endeavored to show prior use by another manufacturer, Elkind Knitting Mills, Inc. The District Court held (R. 422) it was "*convinced beyond any reasonable doubt* that * * * the Elkind Knitting Company produced and *sold* a *similar* fabric during 1932 and 1934". (The term "similar fabric" referring to a fabric having the exact arrangements of "floats" and "inlays" of broad claims 2 and 4.)

This holding by the District Court is not only without any support in the record but the Court of Appeals in its decision did not deign to dignify it by even alluding to such Elkind prior use. The president of the Elkind Knitting Mills, Inc., the only witness interrogated as to any "*sales*" of these Elkind cloths which, as he states at record page 33, were made "during those years that we were *experimenting* and developing these fabrics", testified:

> "Some of them we sold in fairly large quantities. Some of them we haven't * * * I wouldn't be able to tell you *unless* I saw some *records*" (R. 38).

No records to show such *sales* were offered in evidence and no other witness was interrogated as to any sales by Elkind Knitting Mills. So much for the proofs of the alleged Elkind prior use!

**(b) The proofs as to the Arcadia prior use.**

In said decision of the District Court, Judge Goddard also held:

> "I am convinced beyond any reasonable doubt that Arcadia produced and sold in 1936 and 1937 to some sixteen manufacturers approximately 35,000 yards of cloth, known as 'Arcadia 1838', and small amounts of *two other* fabrics referred to as 'Arcadia 2294a' and 'Arcadia 2362' respectively, all of which had the exact arrangements of floats and inlays of claims 2 and 4" (R. p. 422).

It clearly appears that the Court of Appeals did not deem worthy of serious consideration the two Arcadia fabrics 2294A and Arcadia 2362, referred to in the above-quoted portion of the decision of the District Court, of which the group of invoices comprising Arcadia Physical Exhibit 80 (offered, R. 301), show that a maximum of but 35 lbs. were ever allegedly shipped, and confined its consideration of the *prior use* defense to Arcadia Fabric "1838" for, obviously, any use to which these two fabric structures were put was at most merely *experimental.* These fabrics, 2294A and 2362, were in the same category as the aforesaid Elkind experimental fabrics.

The respondent admitted, at Record page 420, that *none* of the invoices relied upon to show prior use by Arcadia "include a cloth which covers the diagram grouping identified by the numeral 1 on the blackboard" (see diagram Arcadia Ex. 56, offered, R. 44, reproduced in the Opinion of the District Court at R. 421). This was the structure which represents the grouping of "floats" and "inlays"

claimed in the specific claims 1 and 3 of the patent. Although the District Court did not hold that any prior structure made by Elkind or Arcadia showed this "float" and "inlay" arrangement covered by claims 1 and 3, yet nevertheless held the same invalid because, as stated in its decision:

> "The making of a fabric with an old arrangement of floats and inlays only *one* needle wide, instead of *two* or *three* needles wide, does not seem to me to amount to invention in view of the highly developed state of the art of knitting" (R. 423).

**The Respondent's Witnesses**

The president and general manager, Isidor Reinhard, of the respondent corporation (R. 310), who dominated all of its activities, was shown to be unworthy of belief by the proof as to his false written statement to Mr. Eader, of the Eader Textile Corporation, in his letter of March 21, 1940 (Princeton Ex. D, R. 411, offered, R. 150), wherein he stated:

> "This *new* cloth was adopted by Munsingwear * * * and Julius Kayser and Company from whom we have *already* received large orders to be delivered later on."

These companies were two of the largest manufacturers of knitted underwear. Not only did Mr. Olrich, president of Munsingwear, deny doing any business with *any other concern than Princeton* on these fabrics in 1940 (R. 239) but even Reinhard himself subsequently admitted the falsity of this statement (R. 186, 187, 189). The doctrine of "Falsus in uno, falsus in omnibus" definitely applies to this witness.

All the other witnesses who testified as to the alleged *prior use* by Arcadia, with the single exception of Meyer Miller, were employees of Arcadia. The witness Miller was merely called to testify as to a purchase of 1 lb. 13 ozs. of Arcadia Fabric 1838 which he states was made up into a couple of polo shirts but could not state if his concern placed any re-orders for this fabric (R. 384).

**Arcadia Fabrics "1838" and "1838 New Setup".**

The respondent introduced in evidence, as Arcadia Physical Exhibit 64G (offered, R. 81), a folder dated November 16, 1936, which contained a small sample or so-called "swatch" of fabric identified therein as "1838 *new* setup", and contained also written tabulated data showing the structure of such fabric. The only witness that testified on behalf of respondent who was familiar with the structure of its fabrics was Joseph Wald, the foreman of the knitting department at the respondent's mills (R. 92). He testified:

> "Every folder has the date *when the sample* was made up" (R. 93).

When asked, what is the date when the folder Exhibit 64G was *made up,* he answered:

> "11/16/1936" (R. 93).

This was the date *on* this folder 64G and it is this folder that discloses the structure of the fabric "1838 *new* setup". The witness Wald was never interrogated as to whether this fabric "1838 *new* setup", disclosed in folder 64G, ever went into *production* but he did state, at Record page 95:

> "after a cloth is *approved* then we get a *number* from the office and then we attach this number to the swatch."

Now the "number" given this swatch in folder 64G, as shown by an inspection of this folder, is, as above stated, "1838 *new* setup".

The respondent also introduced, as Physical Exhibits, said invoices (Arcadia Ex. 80) to show sales of a fabric "1838", the fabric which the Court of Appeals characterizes as the "supposititious earlier fabric * * * of which we have no trace" (R. 444). No invoices showing any *sales* of the aforesaid fabric "1838 *new* setup" shown in said folder Exhibit 64G were produced by respondent.

The witness Miss Crouse, who was in charge of the office of respondent, read into the Record, at pages 387-390, the

names of customers purchasing this "earlier" fabric, identified as "1838", and also the total amount of shipments of this fabric "1838" for the years 1936, 1937, 1938 and 1939, all in addition to those shipments of the fabric "1838" covered by the aforesaid invoices, Arcadia's Exhibit 80. Upon an inspection of these invoices, Arcadia's Physical Exhibit 80, it will be observed, and this is of especial significance, that as stated by the Court of Appeals, it made three sales of fabric "1838" on September 9, October 15 and October 26, 1936 (R. 443) and that the earliest sale was over two months before the date on folder 64G relating to the "*new* setup" of 1838.

No shipments whatsoever of cloth "1838" were made during the entire year 1938, the year the patent issued, and no shipments of this fabric "1838" were, in fact, made after April 23, 1937, except trivial shipments of 1 lb. 8 oz. thereof to Gilbreath Mfg. Co. on July 9, 1937, and 1 lb. 13 oz. to Blum & Co. on October 28, 1937 (R. 389), and finally a single "job lot" of 206 lb. 9 oz. shipped to Tamaqua Underwear Co. on March 4, 1939 (R. 400), apparently made to rid the shelves of respondent of the last remnant of this old "1838" fabric.

The witness Miss Crouse was the *only* witness who was interrogated as to the *structure* of this fabric "1838". She stated that the respondent's cloth "1838" was of the *same* construction as the cloth "1838 *new* setup" (R. 391-393).

The absurdity of her contention that the earlier cloth "1838" was the same as "1838 *new* setup" is not only self-evident but is clinched beyond any possibility of escape by the previous testimony of this same witness who when asked what was meant by the notation

"our No. 2 sample of new setup of 1083"

which appears in the uper left-hand corner of the folder of Arcadia Physical Exhibit 64-I (another one of the folders relating to fabrics respondent had produced experimentally) stated:

"apparently there was a *change* made in the *construction* of 1083 and the information on this folder would *show* our *new* setup of 1083".

Note: The term "setup" is the expression used in the knitting industry to refer to the mechanical setup or setting of the machine (see references to this term at record pp. 434, 48, 49, 52).

Furthermore, since as above stated on page 9 of this petition, the cloth "1838 new setup" described in the aforesaid folder 64G was never even conceived of, according to the said witness Wald, the foreman of the knitting department, until November 16, 1936 (the date of this folder), or at the most but a day or two earlier, it therefore could not possibly be, as erroneously held by the District Court, of the *same construction* as the cloth "1838" because the latter cloth, as above explained, was actually sold September 9, 1936, over *two* months before this first swatch of the fabric "1838 *new* setup" contained in folder 64G was even first made up, experimentally.

**The Respondent's Fabric No. 1078**

The respondent commencing some time after October 12, 1938, the date of the folder comprising Arcadia Physical Exhibit 63 (offered, R. 68), which relates to its fabric 1078, has sold "millions of yards" of this fabric 1078 (R. 330) and such fabric 1078 has the three-and-three succession of "floats" and "inlays" referred to in the decision of the Court of Appeals (R. 442, 443) and is structurally a slavish copy of the fabric structure of the specific claim 1 of the patent as well as being *identical* with petitioner's Fluff Knit. Respondent concedes this fabric infringes all four claims in issue, if valid (R. 22, 70, 420).

Whatever was the construction of respondent's fabric "1838" which the District Court held

"had the exact arrangements of floats and inlays of claims 2 and 4"

and which the Court of Appeals characterized as

> "*supposititious* earlier fabric * * * of which *we have no trace*" (R. 444),

no further sales of this fabric "1838" were made during the entire year 1938 (R. 389), the year respondent brought out its infringing fabric No. 1078 of which it sold millions of yards, and but a *single* sale of fabric 1838 was ever thereafter made, this being the "job lot" sold on March 4, 1939 (R. 389, 400).

The respondent did not introduce any evidence to show that it ever knew or appreciated or stated in any letters to its customers that Arcadia fabric "1838 new setup" shown in folder Arcadia Exhibit 64G, possessed any unusual or advantageous characteristics or qualities or that it advertised such fabric in any trade publication or newspaper. Although petitioner's patented fabric Fluff Knit was featured extensively by its customers at their own expense both in booklets published by its customers and in advertisements in the daily press (see Princeton Physical Exhibits E2-E6, offered, R. 152), yet petitioner's total expenditure for advertising its patented Fluff Knit was but $2,000 to $2,500, this representing the cost of its own advertisements totalling but about four pages (R. 185).

**Petitioner Did Not Have Access to Respondent's Files**

The Court of Appeals held (R. 444) the defendant was allowed access to all of the plaintiff's files and did not produce any other folder "1838". There is no support whatsoever in the record for this holding. The only files to which petitioner had access were those folders, invoices and record sheets which respondent brought into court. These were critically examined by counsel for petitioner and none of them had any reference to the structure of the fabric "1838" or what the Court of Appeals terms "the supposititious earlier fabric * * * of which we have no trace".

## Jurisdiction

The date of the final judgment to be reviewed is January 16, 1942. The judgment was rendered in a civil cause brought under the Declaratory Judgment Act (Title 28 U. S. C. §400) as specified ante, page 3.

The statute under which the jurisdiction is invoked is 240(a) of the Judicial Code, 28 U. S. C. 347, as amended by the Act of February 13, 1925 (43 Stat. 938).

Cases believed to sustain the jurisdiction and particularly cases wherein this Court has allowed writs of certiorari, notwithstanding the concurrence of decisions below and absence of conflicting decisions on the same patent of different Circuit Courts of Appeal, because of a conflict with decisions of other Circuit Courts of Appeal on the same matter or question of patent practice, are: *Milburn Co.* v. *Davis Co.*, 270 U. S. 390; *Rice & Adams Corporation* v. *Lathrop*, 278 U. S. 509; *Goshen Mfg. Co.* v. *Myers Mfg. Co.*, 242 U. S. 202; *American Fruit Growers, Inc.* v. *Brogdex*, 283 U. S. 1.

Other cases believed to sustain jurisdiction because of the subject matter presented by this petition are: *Radio Corporation of America* v. *Radio Engineering Laboratories*, ante, page 2, on the question of the degree and sufficiency of proofs to establish a defense of prior use; *Clifton* v. *United States*, ante, page 2, as to the "inferior degrees of proof" and the credit to which the same is entitled; *Minerals Separation, Ltd.* v. *Hyde*, ante, page 3, on the question of the validity of specific claims notwithstanding invalidity of broad claims.

## Reasons Relied Upon for the Allowance of the Writ

The discretionary power of this Court is invoked upon the following grounds:

1. The decision of the Circuit Court of Appeals for the Second Circuit in the instant case directly conflicts with the weight of authority and the applicable decisions of the Courts of Appeal of other Circuits and of this Court on the same matter, but not involving the same patent.

2. The Court of Appeals for the Second Circuit in the instant case has decided an important question of Federal law, namely, patent law, in a way which is untenable and in direct conflict with applicable decisions herein cited of various Courts of Appeal in other Circuits and of this Court.

3. The Court of Appeals for the Second Circuit in the instant case has decided an important Federal question, namely, a question of patent practice respecting the degree and sufficiency of proofs required of a party who sets up a defense of prior use to invalidate the claims of a patent, in a way in direct conflict with the applicable decisions of this Court and especially the decisions of *Radio Corporation of America* v. *Radio Engineering Laboratories,* 293 U. S. 1; the *Barbed Wire Patent Case,* 143 U. S. 275, and other decisions cited on pages 2 and 3 of this petition.

4. The Court of Appeals for the Second Circuit in the instant case has decided an important Federal question, namely, a question of patent practice respecting the degree of credit to be given to "inferior" proofs produced by a party who has it in his possession or power to produce "superior" proofs, in a way in direct conflict with the applicable decisions of this Court, notably *Clifton* v. *United States,* 4 How. 247.

5. The Court of Appeals for the Second Circuit in the instant case has decided in a way in direct conflict with applicable decisions of this Court, an important Federal question, namely, a question of patent practice respecting the degree of credit to be given, in determining the patentability of specific claims of a patent over a broad claim held invalid because of prior use, to proofs which conclusively establish that the party setting up such prior use as a defense abandoned the prior use structure, prior to the issuance of the patent, and after such issuance slavishly copied and made large sales of the exact structure covered by the most specific claim of the patent.

6. There is a direct conflict between the decision of the Circuit Court of Appeals for the Second Circuit in the instant case and the decisions of the Courts of Appeal in other Circuits and of this Court respecting the matter of the validity in patent cases of specific claims notwithstanding the adjudication of broad claims as invalid for *prior use* by a party setting up such a defense, where it is shown there was an abandonment by such party of the prior use structure prior to the issuance of the patent and, after such issuance, slavish copying and extensive sales by such party of the exact structure of the specific claims of the patent whose broad claims have been so adjudicated as invalid. *The Incandescent Lamp Patent Case,* 159 U. S. 465; *Minerals Separation, Ltd.* v. *Hyde,* 242 U. S. 261; *Diamond Rubber Co.* v. *Consolidated Tire Co.,* 220 U. S. 428, and other cases cited in the petition.

7. The Circuit Court of Appeals for the Second Circuit has decided important Federal questions, namely, questions of patent practice, the effect of which is of great importance and interest, in a way in direct conflict with applicable decisions of this Court.

8. The decision of the Court of Appeals for the Second Circuit is in direct conflict with decisions of the Circuit

Courts of Appeal in other Circuits and of this Court on an important question of Federal law involving the rule of patent practice respecting the degree and sufficiency of the proofs required to invalidate the claims of a patent because of prior use.

## Questions Presented

1. Whether the Court of Appeals was justified in holding claim 2 of the patent in suit is invalid for prior use, where the proofs of such prior use introduced by respondent were so conflicting that the District Court held that a fabric identified as "1838" which was sold by respondent had "the exact arrangement of floats and inlays of claim 2" whereas the Court of Appeals characterized this same fabric as "the supposititious earlier fabric * * * of which we have no trace"?

2. Whether the Court of Appeals was justified in disregarding the fact that the "dates" appearing in the folders comprising Arcadia Physical Exhibits 64A-J are, as stated by the witness Wald (the only witness interrogated on this point), the dates when each folder was made up (R. 93) and therefore such date in the case of Arcadia Ex. 64G, relating to the Arcadia cloth "1838 new setup", has no relation whatsoever to the date *when* the cloth was "approved for production", it appearing that one of these folders, viz: Arcadia Physical Exhibit 64A (offered, R. 80), is *dated* but it *lacks* any identifying "number" for the swatch of fabric therein because, as stated by the witness Miss Crouse, "It has not been approved for production" (R. 80)?

3. Whether the Court of Appeals was justified in holding that fabric "1838 new setup" constituted a prior use of the patented invention, where a mere folder containing a swatch of fabric and a description of its structure (Folder 64G, 1838 *new* setup) was introduced in evidence and no

proof whatsoever was offered to show when such fabric so disclosed in the folder first went into production and especially whether it went into production before the date of the patent in suit, but respondent relies exclusively upon sales of an *earlier* fabric "1838" first sold over *two* months before the date said folder was made up, which fabric "1838" a woman witness, the office manager of respondent, admittedly unfamiliar with fabric structure, testified was of the identical structure as "1838 new setup" and yet this same witness had previously testified when interrogated as to the meaning of the term "new setup" with respect to a similar comparison of a fabric "1083" and another folder (Arcadia Physical Ex. 64I, offered, R. 81) containing fabric "1083 new setup" that: "Apparently there was a *change* made in the *construction* of 1083 and the information on this folder would show our *new* setup of 1083"?

4. Whether the Court of Appeals was justified in holding claims 1 and 3, the specific claims of the patent, invalid because it had found broad claim 2 invalid for *prior use* by respondent, where the Record shows that the alleged structure of such prior use concededly was of a different structure from that covered by the specific claims 1 and 3 and was abandoned during the entire year 1938, the year the patent issued, and respondent after the issuance of the patent slavishly copied the exact structure of petitioner's commercial fabric which was covered by claims 1 and 3, and which structure was the only one illustrated in the patent, and admittedly thereafter sold *millions of yards* of fabrics having the exact structure so copied, and respondent also has conceded the commercial success of petitioner's patented fabric so copied?

5. Whether the Court of Appeals was justified in holding:

> "There is no reason to suppose that any popularity which the fabric enjoyed depended upon the successions of Claims One and Three; that is, that they made a more acceptable fabric than that which Claim Two

> added. The specifications do not suggest any superiority of one over the other; and it is plain that all are open to anyone's choice, provided the 'one and one arrangement' itself is open"

where the three-and-three succession of "floats" and "inlays" which is the succession of claim 1 was the only form of the invention illustrated in the drawings of the patent; where the inventor especially emphasizes the function and the importance of the three-and-three succession in the specification and deemed this form of the invention so important that two of his four claims were drawn to cover specifically the three-and-three succession (claim 1) or else what the Court terms "successions which are the same in each repeat" (claim 2)?

6. Whether specific claims 1 and 3 of the patent in suit, which cover a fabric structure undisclosed in any prior use fabric alleged to have been sold by respondent, can properly be held invalid because the broad claim 2 is held anticipated by such prior use fabric notwithstanding the fact that the respondent completely abandoned the sale of the fabric, alleged to constitute such prior use, months prior to the issuance of the patent in suit and upon the issuance of the patent slavishly copied and made huge sales of the exact fabric structure covered not only by claim 1, the most specific claim of the patent in suit, but also by claim 2 the other specific claim of the patent?

7. Whether the Court of Appeals was justified in holding broad claim 2 of the patent in suit invalid for prior use by respondent, where the Record herein shows that

(a) "inferior" testimony was wholly relied upon to prove such prior use; and

(b) where sale of the structure alleged to constitute such prior use was abandoned by respondent months prior to the issuance of the patent in suit and immediately after such issuance of the patent respondent slavishly copied the fabric structure covered by claim 1, the most specific claim of the patent, and made huge sales of such copied structure?

8. Whether the Court of Appeals was justified in holding broad claim 2 of the patent invalid for prior use by respondent on the ground that

> "Certainly some fabric must have been in the folder on November 1, 1936, and that fabric must have been what was sold as '1838' at that time and later, not the supposititious earlier fabric for which it was substituted and of which we have no trace" (Opinion, R. 444)

when there was no proof offered to show that the fabric "1838 new setup" shown in such folder, dated November 16, 1936, was either ever "approved for production" before the date of the patent in suit or was ever actually sold commercially and there was no proof offered to show that respondent ever recognized or appreciated that the fabric "1838 new setup" possessed any unusual qualities or characteristics?

9. Whether the Court of Appeals was justified in holding claim 2 of the patent invalid for prior use by respondent and that the validity of all the claims depends upon that of claim 2, where it appears from the record that the respondent abandoned sales of its prior use structure prior to the issuance of the patent in suit and made no sales whatsoever thereof during the entire year 1938, the year the patent issued, but after the issuance of the patent in suit slavishly copied the structure covered by the most specific claims 1 and 3 of the patent and made huge sales of the copied structure?

## Concerning the Importance of the Questions Presented

The Circuit Court of Appeals has decided important questions of Federal law in a manner which makes it possible for any unscrupulous defendant in a patent suit, without resorting to perjury or forgery, to establish prior

use of a patented invention and defeat any meritorious patent.

Unless corrected, the decision herein of the Circuit Court of Appeals for the Second Circuit, because of its outstanding position due to the fact that more patent cases are brought there than in any other Court, will establish a dangerous precedent, sure to be followed by District Courts and many Courts of other Circuits and as a consequence inventors who create and industries which develop and market their inventions, all of whom lean heavily upon the uniform and correct application of the patent laws, will be unjustly confused and discouraged by the rulings of the Court of Appeals both as regards the invalidity of the broad claims, because of prior use, and the specific claims because of such invalidity of the broad claims, just at a time when the Government through the recently established National Inventors' Council is bending every effort to encourage invention in the interest of National Defense.

WHEREFORE, your petitioner respectfully prays that a writ of certiorari to review the judgment of the Circuit Court be issued out of and under the seal of this Court, directed to the United States Circuit Court of Appeals for the Second Judicial Circuit, sitting at New York, New York, commanding said Court to certify and send to this Court, on a day to be designated, a full transcript of the record and all proceedings of the Court of Appeals had in this case, to the end that this case may be reviewed and determined by this Court; that the judgment of the Court of Appeals for the Second Circuit be reversed, and that petitioner be granted such other and further relief as may seem proper.

Dated, February 14, 1942.

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